

INNOVATION

Free File - The IRS Free File Inc. agreement expires October 31, 2020. We plan to begin evaluating the agreement in the summer of 2018. This year through August 25, 2.5 million returns were filed through Free File. This is a decrease of 2.2 percent from 2016. For the 2018 filing season, more taxpayers will be eligible to use traditional Free File as the adjusted gross income cutoff will be increased from \$64,000 to \$66,000. Using TY 2015 data, which is the data used for the most current demographic study, the median income for Free File filers is \$20,046. The Free File calculator was updated for FS 2018.

While SP does not have quantitative understanding for the decrease in Free File returns, we believe the continued decrease is a direct result of the increase in free options available in the broad marketplace. Free File has been successful in generating a free marketplace and stimulating that marketplace, perhaps to the program's detriment. **(TBOR Related)**

Joint Operations Center – Cross-Channel Analysis - The Joint Operations Center (JOC) continues its development of new reporting and forecasting capabilities in support of the IRS's Future State. The JOC, in partnership with OLS, has replicated a process to extract data, build, and post the weekly Online Account Report. We are designing and vetting new cross-channel usage reports with stakeholders to provide insight into taxpayer interaction with various phone and online self-service channels. Cross-channel usage reports should provide actionable intelligence allowing for better forecasting and optimal use of resources in real time. We continue to improve real-time monitoring capabilities by evaluating anomalies in access to self-service web applications. Over the past few months, the Monitoring Room has observed and reported several anomalies in usage activity with our IT partners. Early detection of web traffic or restricted access to self-service activities allows the JOC in partnership with AM and SB/SE to proactively respond to increased phone staffing needs.

Submission Processing Consolidation Update - With three major SP sites consolidating—Cincinnati in 2019, Fresno in 2021, and Austin in 2024—W&I's SP leadership and other business units are working hard to provide help to the affected employees. Through these efforts, approximately 450 SP employees found new jobs since September 2016.

The SP leadership's "Think SP First" concept encourages IRS organizations to be mindful of SP employees who need jobs when they're hiring, making decisions on placement of new work, and in their current work processes. Coordination with other business units along with the efforts to help employees apply for jobs remains a priority in everyday operations. Hiring initiatives conducted by IT and AM resulted in many SP employees affected by the consolidation finding new positions. The SB/SE Division has committed to hiring in the consolidating sites. We are working with them to address both their business needs and the consolidation goals.

In May 2017, the IRS submitted a business case to the Office of Personnel Management (OPM) requesting approval to offer Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payment (VSIP) incentives to employees affected by the Cincinnati SP consolidation/liquidation. The IRS requested VERA/VSIP authority through October 2019. We plan to conduct the following three open windows with corresponding off roll dates: